

Application No. 09/538,750  
Attorney Docket No.: 00-017

PATENT

## REMARKS

Claims 1 to 70 are pending in the present application.  
Claims 1, 56 to 59, 61 to 65 and 68 to 70 are independent.

### Section 112 Rejection

Claims 13, 15, 16, 18, and 19 stand rejected as being indefinite. Applicants respectfully traverse the Examiner's Section 112 rejection. Each of the rejected claims depends from Claim 12 which recites "determining if the transferable item price may be associated with the first consumer." The rejected claims are merely referencing and further defining the method step recited in Claim 12 and thus, are not indefinite for the same reason Claim 12 is not indefinite. The Examiner apparently recognized that Claim 12 is not indefinite since Claim 12 was not rejected. Regardless, Claim 12 is not indefinite because it is clear that the recited step is to determine "whether the transferable item price is or is not associated with the first consumer," as the Examiner phrased it. Thus, whether or not a transferable item price is associated with a particular first consumer does not effect the meaning of Claims 13, 15, 16, and 18. Therefore, Applicants respectfully request that the Section 112 rejection be withdrawn.

### Section 102 Rejection

Claims 1 to 8, 10, 12, 13, 15 to 17, 19 to 22, 27, 29, 35, 39, 40, 42 to 46, 48, 49 to 53, 56 to 60, and 65 to 70 stand rejected under 35 U.S.C. Section 103(e) as anticipated by US Patent No. 6,101,484 filed March 31, 1999 and issued August 8, 2000 to Halbert et al. (hereinafter "Halbert"). Applicants respectfully traverse the Examiner's Section 102 rejection.

The Halbert reference discloses a system to allow individuals to aggregate their buying power into a buying co-op. In the Halbert system, if a sufficient number of individuals make binding offers to purchase an item at or above a predetermined price, the seller of the item has agreed to lower the item's price a predefined amount. Thus, in the Halbert system, no consumer has the power to transfer his price to another. Together the buying co-op can drive the price down through aggregation to meet pre-defined agreements. A Halbert co-op is defined as "the online manifestation of buying groups who have committed to purchase a certain product within a specified price." (Halbert, col 4, lns. 4 to 8) In other words, "[m]aking an offer is a condition precedent to joining a co-op." (col 4, lns. 44 to 45) "In order to join a co-op, each buyer must determine the maximum price at which (or below) he or she is willing to purchase the featured item. Such amount is specified in his or her binding purchase offer." (col. 3, lns. 4 to 7) Once a co-op member joins (i.e. commits to paying at least a maximum price), he hopes that others likewise commit/join so that the seller lowers the price.

The claims of the present invention are generally directed to a system wherein a first consumer establishes a price with a seller and then can transfer that price to a second consumer. Specifically, each of the independent claims recite that a "transferable item price" associated with a first consumer is made available to a second consumer. The Halbert reference does not disclose a transferable item price. In Halbert, the item price is available to anyone who joins the co-op and makes a binding offer to pay at least a maximum price. Once the ending price is determined in Halbert, no new members can join the co-op and only existing members who offered an amount equal to or greater than the ending price may purchase the item.

Regardless of the above distinction, solely to expedite prosecution and to make explicit that which was implicit, Applicants have amended each of the independent claims (except

Application No. 09/538,750  
Attorney Docket No.: 00-017

PATENT

Claims 62 and 63) herein to clarify and magnify the differences between Halbert and Applicants' invention. Specifically, the claims as amended now recite that the second consumer is an individual "specified by the first consumer" or the like. This amendment clearly distinguishes the present invention Halbert which is a system that was designed to allow people who do not know each other to aggregate their buying power.

### Section 103 Rejections

Claims 9, 11, 14, 18, 23 to 26, 30 to 34, 36 to 38, 41, 47, 54, 55, and 61 to 64 are rejected under 35 U.S.C. Section 103(a) as being unpatentable over Halbert in view of US Patent No. 6,269,343 filed August 18, 1999 and issued July 31, 2001 to Pallakoff (hereinafter "Pallakoff") and in further view of the Examiner's assertions of what would have been obvious. Applicants respectfully traverse the Examiner's Section 103(a) rejection.

As discussed above, Halbert does not teach transferable item prices. Pallakoff does not teach this feature either. Regardless, as amended, the claims recite an additional feature of Applicants' invention, not taught by either reference. Thus, Applicants respectfully request the withdrawal of the Examiner's Section 103 rejections.

Additionally, Applicants do not accept nor agree with the Examiner's characterization of the features of the claims that stand rejected based upon Halbert (and/or Pallakoff) in view of factual assertions by the Examiner, as "obvious modifications" or "well known." Applicants assume that the Examiner intended to take Official Notice of these asserted facts that are not otherwise in the record. In each case, the officially-noted subject matter comprises the principal evidence upon which the rejection was based. In other words, the Examiner relies upon officially-noted subject matter to show that a feature of the rejected claim was in the prior art. For the record, Applicants dispute all of the various assertions in the Office Action regarding what is "well known," "obvious modification" and/or otherwise officially-noted. Applicants likewise dispute all assertions which were not proper factual findings because they are mere unsupported conclusions.

Applicants respectfully remind the Examiner that officially-noted subject matter cannot be used as the primary basis for a rejection under 103. In other words, official notice alone of what existed in the prior art is not permitted. A reference must be provided to show the scope and content of the prior art. See, e.g., *In re Ahlert*, 424 F.2d 1088 (C.C.P.A. 1969) ("Assertions of technical facts in areas of esoteric technology must always be supported by citation to some reference work recognized as standard in the pertinent art and the appellant given, in the Patent Office, the opportunity to challenge the correctness of the assertion or the notoriety or repute of the cited reference. ... Allegations concerning specific 'knowledge' of the prior art, which might be peculiar to a particular art should also be supported and the appellant similarly given the opportunity to make a challenge.") (emphasis added); *In re Eynde*, 480 F.2d 1364 (C.C.P.A. 1973) ("[W]e reject the notion that judicial or administrative notice may be taken of the state of the art. Facts constituting the state of the art in a patent case are normally subject to the possibility of rational disagreement among reasonable men, and are not amenable to the taking of judicial or administrative notice.") (emphasis added); *In re Pardo*, 684 F.2d 912 (C.C.P.A. 1982) ("[T]his court will always construe [the rule permitting judicial notice] narrowly and will regard facts found in such manner with an eye toward narrowing the scope of any conclusions to be drawn therefrom. Assertions of technical facts in areas of esoteric technology must always be supported by citation to some reference work recognized as standard in the pertinent art and the appellant given, in the Patent Office, the opportunity to challenge the

Application No. 09/538,750  
Attorney Docket No.: 00-017

PATENT

correctness of the assertion or the notoriety or repute of the cited reference.") (emphasis added) Official Notice may be used, if at all, to clarify the meaning of a reference. See, e.g., *In re Ahlert*, 424 F.2d 1088 (C.C.P.A. 1969) ("Typically, it is found necessary to take notice of facts which may be used to supplement or clarify the teaching of a reference disclosure, perhaps to justify or explain a particular inference to be drawn from the reference teaching.") (emphasis added).

Accordingly, Applicants request a reference that describes the officially-noted subject matter in sufficient detail to provide Applicants an opportunity to determine its scope and an opportunity to distinguish the prior art from the present invention. MPEP 2144.03. Likewise, if the Examiner is relying upon his own personal knowledge of what was an "obvious modification" or "well known," Applicants respectfully request that the Examiner provide an affidavit in support of his factual assertions. Short of such support for the Examiner's factual assertions, Applicants respectfully request withdrawal of the Section 103 rejections on this additional ground.

Regarding Claims 62 and 63 specifically, the Examiner appears to have overlooked the "second merchant" recited in these claims. Neither of the relied upon references discloses or even suggests transferable item prices between multiple merchants. Thus, Applicants respectfully request withdrawal of the Examiner's Section 103 rejection of Claims 62 and 63 for this additional reason.

Further, regarding the claims that stand rejected based upon Halbert (and/or Pallakoff) in view of factual assertions by the Examiner, even if Halbert disclosed that which the Examiner relies upon it for, which it does not, the Examiner still would not have met his burden of establishing a *prima facie* case of obviousness in that he has not provided a proper motivation to combine Halbert with the features he describes as "well known" or "obvious modifications." The Examiner does not assert that the "motivations" he provides are suggested by the references. Instead the Examiner appears to rely upon reasoning. However, in each case, the Examiner merely provides a single conclusory statement that relies upon facts not in the record and amounts to merely a desirable result. The Examiner does not provide a proper motivation based upon reasoning because the asserted desirable result does not necessarily follow from the asserted combination.

For example, on page 8 of the Office Action regarding Claim 30, the Examiner provides the desirable result "to promote a sale" as the motivation to combine Halbert and the idea of "receiving a transferable item price code from the second consumer," a feature of the present invention that the Examiner explicitly concedes is not taught by Halbert. The Examiner's "reasoning" does not follow; Halbert does not contemplate using price codes because Halbert does not care if a consumer is requesting to make a purchase with a valid price transferred from another consumer. As discussed above, the system of Halbert is open to anyone who joins the buying co-op. There is no concept in Halbert of excluding a consumer who makes up his own price instead of using a valid code. Thus, Applicants respectfully request withdrawal of the Examiner's section 103 rejections for this additional reason.

### Conclusion

For the foregoing reasons it is submitted that all of the claims are now in condition for allowance and the Examiner's early re-examination and reconsideration are respectfully requested.

Application No. 09/538,750  
Attorney Docket No.: 00-017

PATENT

Alternatively, if there remains any question regarding the present application or any of the cited references, or if the Examiner has any further suggestions for expediting allowance of the present application, the Examiner is cordially requested to contact Applicants' representative, Steven Santisi, at telephone number 203-461-7054 or via electronic mail at [santisi@walkerdigital.com](mailto:santisi@walkerdigital.com).

### Petition for Extension of Time to Respond

Applicants hereby petition for a **three-month** extension of time with which to respond to the Office Action. Please charge \$465.00 for this petition to our Deposit Account No. 50-0271. Please charge any additional fees that may be required for this Response, or credit any overpayment to Deposit Account No. 50-0271.

If an extension of time is required, or if an additional extension of time is required in addition to that requested in a petition for an extension of time, please grant a petition for that extension of time which is required to make this Response timely, and please charge any fee for such extension to Deposit Account No. 50-0271.

Respectfully submitted,



Steven Santisi

Registration No. 40,157  
Attorney for Applicants,  
Walker Digital, LLC  
[santisi@walkerdigital.com](mailto:santisi@walkerdigital.com)  
Five High Ridge Park  
Stamford, CT 06905-1326  
203-461-7054/ voice  
203-461-7300/ fax

3/3/2003

Date

Application No. 09/538,750  
Attorney Docket No.: 00-017

PATENT

**A M E N D M E N T S**  
(Marked-Up Form)

Please **AMEND** Claims 1, 11, 56 to 59, 61, 64, 65, and 68 to 70 as follows

1. (AMENDED) A method of facilitating a transaction, comprising:  
associating a transferable item price with a first consumer; and  
determining that a second consumer specified by the first consumer is entitled to purchase  
an item in exchange for payment of an amount based on the transferable item price.

11. (AMENDED) The method of claim 1, wherein the item is [sold to consumers]  
available for sale at a retail price and the transferable item price is different than the retail price.

56. (AMENDED) A method of selling an item, comprising:  
receiving from a first consumer a binding offer to purchase an item in exchange for  
payment of an offer price, the offer price being defined by the first consumer;  
arranging for the first consumer to purchase the item in exchange for providing payment  
of an amount based on the offer price;  
determining a transferable item price associated with the first consumer based on the offer  
price;  
associating the transferable item price with the first consumer;  
determining that a second consumer specified by the first consumer is entitled to purchase  
the item in exchange for payment of an amount based on the transferable item price; and  
arranging for the second consumer to purchase the item via a communication network.

57. (AMENDED) A method of transferring an item price by a first consumer to a second  
consumer, comprising:  
arranging with a merchant to be associated with a transferable item price; and  
providing an indication enabling a specified second consumer to purchase an item in  
exchange for payment of an amount based on the transferable item price.

58. (AMENDED) A method of purchasing an item, comprising:  
exchanging an indication associated with a transferable item price; and

Application No. 09/538,750  
Attorney Docket No.: 00-017

PATENT

purchasing the item in exchange for payment of an amount based on the transferable item price,

wherein exchanging an indication includes being specified by another consumer.

59. (AMENDED) A method of facilitating a transaction, comprising:  
associating a transferable transaction term with a first consumer; and  
determining that a second consumer specified by the first consumer is entitled to purchase an item in accordance with the transferable transaction term.

61. (AMENDED) A method of facilitating a transaction, comprising:  
associating a transferable payment amount with a first consumer; and  
determining that a second consumer specified by the first consumer is entitled to receive the transferable payment amount in exchange for at least one of: (i) selling an item, (ii) receiving information, (iii) providing information, and (iv) performing a task.

64. (AMENDED) A method of facilitating a transaction, comprising:  
associating a transferable item price with a first consumer; and  
determining that the first consumer is entitled to transfer a benefit to a second consumer specified by the first consumer, wherein the benefit is based on the transferable item price.

65. (AMENDED) An apparatus for facilitating a transaction, comprising:  
a processor; and  
a storage device in communication with said processor and storing instructions adapted to be executed by said processor to:

associate a transferable item price with a first consumer; and  
determine that a second consumer specified by the first consumer is entitled to purchase an item in exchange for payment of an amount based on the transferable item price.

68. (AMENDED) A medium storing instructions adapted to be executed by a processor to perform a method of facilitating a transaction, said method comprising:

Application No. 09/538,750  
Attorney Docket No.: 00-017

PATENT

associating a transferable item price with a first consumer; and  
determining that a second consumer specified by the first consumer is entitled to purchase an item in exchange for payment of an amount based on the transferable item price.

69. (AMENDED) A computer-readable medium that stores data accessible by a program executable on a data processing system, the data being organized according to a data structure that includes:

an transferable item price code data object; and  
a transferable item price data object representing a transferable item price and being accessible from the transferable item price code data object,  
wherein the transferable item price code data object indicates that a second consumer specified by a first consumer is entitled to purchase an item in exchange for payment of an amount based on the transferable item price.

70. (AMENDED) A computer-readable medium that stores data accessible by a program executable on a data processing system, the data being organized according to a data structure that includes:

[an] a second consumer identifier data object; and  
a transferable item price data object representing a transferable item price and being accessible from the second consumer identifier data object,  
wherein the second consumer identifier data object indicates that a second consumer specified by a first consumer is entitled to purchase an item in exchange for payment of an amount based on the transferable item price.